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# FARMER COOPERATIVE DIRECTORS

## CHARACTERISTICS ATTITUDES



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## PREFACE

Directors on boards of farmer cooperatives have no particular managerial function as individuals, but sitting as a board they are charged with establishing basic operational policies, overall plans, and control to ensure compliance. The board is a device through which members are able to retain involvement in, and maintain internal control of, their cooperatives. Directors are thus a key part of agricultural cooperatives.

The purpose of this study has been to determine the characteristics of the boards of directors, the individual directors, and the directors' attitudes and perceptions on specific issues.

About 4 percent (283 cooperatives) of the cooperative population were surveyed. All of the directors of each cooperative included in the sample were surveyed by mail questionnaires. About 64 percent of the 2,884 directors serving the 283 cooperatives responded. For a more concise presentation of the more important findings in the text, much supporting statistical data were placed in appendix tables.

About 69 percent of the directors of the large associations responded, compared with 64 percent of the medium and 59 percent of the small associations.

Special acknowledgement is made to other Farmer Cooperative Service staff members who participated in the study during its various phases: Martin A. Blum, team leader; David R. Graves, project planning; Richard S. Berberich, data collection; Bruce L. Swanson and James R. Jacks, data processing and analysis. Also, Dr. John R. McCoy, currently with the Social Security Administration, contributed to project planning and analysis.

Special acknowledgement is also due the 283 cooperative managers and 1,833 cooperative directors who gave of their valuable time in completing the questionnaires and without whose help this study would not have been possible.



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## HIGHLIGHTS

When members of a farmer cooperative elect a director, they most frequently turn to a fellow member who is 35 or older, who has farmed for 25 years, who has been in the cooperative more than 10 years, and who does 81 percent or more of his business with the cooperative.

These background factors, providing one profile of farmer cooperative directors, have been obtained in a detailed survey of 1,833 directors throughout the Nation.

A second profile from the survey portrays the directors' work. This involves for the most part: 2 days or less a month of a director's time; planning and controlling cooperatives' operations; providing input and influence on board decisions; and preparing themselves for decisionmaking. Most were satisfied with their compensation and would be pleased to continue on the board of directors.

The third profile derived from the survey provides glimpses into directors' thoughts, attitudes, and perceptions. While the first two profiles cover the more visible aspects of directors, many students of farmer cooperatives suggest this third profile may be the most significant. They argue that how directors perceive their jobs may well determine the fate of cooperatives.

Among findings in this profile are these points:

— Most directors believed that cooperatives should function according to the traditional principles of cooperation; disagreed that a cooperative's first responsibility is to make as much profit as possible; and disagreed that there is really not much difference between cooperatives and competing noncooperative organizations. Most directors, regardless of size of association, seemed to hold similar views with regard to these important cooperative concepts.

— Ninety-two percent of the directors agreed that cooperative members should be given the same treatment regardless of volume of patronage.

— Fifty-four percent of the directors disagreed that the bigger a cooperative gets, the less responsive it is to members' needs. Fifty-six percent disagreed that as cooperatives increase in size, they become less responsive to their smallest members. There seems to be enough doubt to suggest a current issue over how small members are treated as cooperatives grow.



— Directors thought that both small and large members benefit from cooperatives. There was no unanimity of opinion that large members contributed more to the success of a cooperative than small members.

— Fifty-one percent of the directors thought that cooperatives should develop a plan for immediately retiring retained earnings to members who move or retire. Directors of small cooperatives were more interested in having retained earnings retired than directors of large cooperatives.

— Directors felt that service to members should not be sacrificed for cooperative growth.

— Seventy percent of the directors felt that cooperatives must engage in both supply and marketing to survive. Directors of smaller cooperatives felt more strongly about this than directors of large associations.

— Forty percent of the directors disagreed that cooperatives get into the hands of cliques; 36 percent agreed; and 24 percent were undecided. This suggests a need for greater participation by members and directors.

— Most directors thought that a strong central management was essential for a cooperative but did not favor either the federated or centralized type by a clear-cut majority.

— Ninety-three percent of the directors agreed that public relations were as necessary for a cooperative as for a profit-type business.

— Although most directors thought that their boards had a wide diversity of business experience and thought that it was as important for directors to have knowledge about business as managers, they did not agree that an individual should have some special skill or knowledge to be nominated as a director. Also, there was no preponderance of feeling that knowledge about business was more important for successful directorship than knowledge about farming.

— Seventy-three percent of the directors agreed that directors take an active part in introducing new ideas. Eighty-two percent of the directors of the small cooperatives agreed, compared with only 62 percent of the large.

— Ninety-four percent agreed that directors should take an active part in introducing new ideas. This feeling was the same regardless of association size.

— Apparently, most directors work hard to keep informed, take part in introducing new ideas, make decisions

without being in a crisis situation, modify management's decisions and proposals, and think directors should make all important final decisions.

Although directors made a point of discussing cooperative affairs informally with individual members, the boards are not now fully committed to referring major issues to members before making a final decision. There was not an overwhelming attitude toward supporting this measure.

— Eighty-seven percent of the directors agreed that the boards had complete confidence in management. About the same proportion reflected the same attitude. Both perception and attitude reflections were valid for all association sizes.

— Most directors reflected a strong perception and attitude toward informality with management. The feeling seemed to be that there was a good working relationship with management even though the atmosphere was informal.

— Apparently, management and the boards had a desire to work together to achieve common goals. The boards supported management even on ideas on which there was disagreement. However, directors felt that they should direct more actions toward management. Debates on issues viewed differently by management and the board took place in the meetings. This does not substantiate the view expressed by some that director boards are rubber stamps for management actions.

— Most directors thought they were aware of member needs. They thought they should do more in reviewing member complaints. Directors were divided as to whether member complaints should be submitted directly to the board.

Further, the directors felt that the boards had considerable knowledge concerning the cooperatives' strengths and weaknesses; had effective control of the cooperatives; would find no difficulty in discharging a manager who had not performed; based their appraisals of cooperative affairs on reports furnished by management, but would prefer not to rely as heavily on these reports; raised questions concerning issues which they did not understand; and were divided about evenly as to whether management should be held more responsible for cooperative performance than the board.

The attitudes and perceptions reflected by the responses to the survey indicated that directors probably were doing an effective job in carrying out their responsibility. By the same token, there appeared to be room for improvement.

# **FARMER COOPERATIVE DIRECTORS**

## **CHARACTERISTICS ATTITUDES**

Gilbert W. Biggs  
Agricultural Economist

Members, directors, and managers increasingly say they want to know more about boards of directors of farmer cooperatives. They want to know what other cooperatives' boards are thinking and doing. They want to know if there are any general characteristics and themes across the Nation among the farmer cooperatives. They want to know these things to see where they fit and if any ideas or points for improvements are being overlooked in their own organizations.

This interest prompted one of the most searching surveys that Farmer Cooperative Service has undertaken, because, heretofore, little was known concerning the characteristics of the cooperatives' boards of directors.

In the research process, a matrix was developed for geographical and size purposes and a random sample was drawn on a proportional basis. All of the 2,884 directors of each of the 283 cooperatives surfacing in the sample were surveyed by mail questionnaires (app. table 1). About 64 percent of the 2,884 responded (app. table 2).

While exploring the profiles of the directors themselves, the study was also able to yield profiles of the cooperatives' and of the boards of directors. These are the settings into which the profiles of the directors fit.

## CHARACTERISTICS OF COOPERATIVES AND BOARDS

Participating cooperatives were classified according to size based on annual dollar volume of business. Three size classes were selected as follows: Small, under \$4.9 million; medium, \$5.0 to \$19.9 million; and large, \$20.0 million and over.

As would be expected, the larger associations had the largest assets. More than 54 percent of the small cooperatives had total assets of less than \$500,000 (app. table 3). Almost 64 percent of the medium associations had assets of more than \$2.5 million and more than 82 percent of the larger associations had total assets of more than \$2.5 million.

More than 40 percent of the small associations had less than 150 members (app. table 4). Fifty-three percent of the medium associations had more than 500 members and almost 59 percent of the large associations had more than 500 members.

Most associations, regardless of size, were of the centralized type—membership being made up of individual producers. The federated type has membership of local associations only.

Almost 74 percent of the associations were centralized (app. table 5). Probably the reason for this was that regardless of size a cooperative was classified as centralized if its membership was made up of individual producers who had direct membership in the association. Eleven percent of the cooperatives participating in the director survey were locals of a federation.

Almost 9 percent of the associations were classified as federation-centralized combination.

Seven percent of the associations were of the federated type.

Many associations were engaged in more than one activity; however, each was classified according to the activity having the largest dollar volume. About 75 percent of the associations were classified as marketing associations; almost 24 percent as farm supply; and about 1 percent as service associations (app. table 6).

The cooperatives marketed 13 different categories of commodities, 9 of which were marketed in both the processed and unprocessed form. The three commodities marketed by the greatest number of associations were grain, fruit, and dairy products (app. table 7).



The associations furnished a wide range of farm supplies to their members, but the five major items were chemicals, feed, fertilizer, seed, and petroleum (app. table 8).

The three most frequent services furnished by the cooperatives were storage, ginning cotton, and trucking or hauling (app. table 9).

Most cooperative boards are comprised of an odd number of directors with five, seven, and nine being the most common (app. table 10). The majority of the small associations had boards of 9 directors or less, the medium 6 to 15 directors and the large associations 10 or more directors (app. table 11).

The 3-year term (app. table 12) dominated regardless of the size of association (app. table 13).

Director compensation varied from \$0.0 to \$80,000. The total for the 283 associations was about \$1.3 million or \$4,516 per association.

Small and medium associations favored either the fixed dollar amount or the fixed dollar amount plus expense methods for compensating directors for attending regular meetings (app. table 14). A sizable proportion of small associations did not provide any compensation. The larger associations preferred by far the fixed dollar amount plus expenses for compensating directors. This method was also favored for special board meetings regardless of size of association (app. table 15).

Except for director liability insurance, a greater proportion of the large associations offered insurance benefits than did small associations (app. table 16). About 90 percent of the associations offering insurance benefits either paid all or some of the expenses (app. table 17).

About 56 percent of the associations had 12 regular board meetings per year (app. table 18). Another 40 percent had less than 12 meetings per year. The larger associations tended to have less than 12 regular board meetings per year, compared with the small and medium associations (app. table 19).

Forty-nine percent of the large associations called special board meetings during the year, compared with 78 percent for the medium and 64 percent for the small (app. table 20). More than 83 percent of the associations held less than 5 such meetings regardless of size of association (app. table 21).

Seventy-three percent of the large associations called special board committee meetings during the year, compared with 57 per-

cent for the medium and 20 percent for the small (app. table 22). Almost 90 percent of the small associations held less than 5 such meetings per year, compared with 49 percent for the medium and 70 percent for the large (app. table 23).

Into this stage setting of their cooperatives and their boards come the study's central figures: The directors.

## DIRECTORS: THEIR BACKGROUNDS

What makes a director on a cooperative's board different from the man on the street? Are there certain traits in his background that help him surface from a cooperative's membership into the organization's key role?

A prime objective of this study has been to obtain profiles of personal characteristics of directors serving on farmer cooperative boards in the United States. Examined are a director's age, education, usual profession, farming experience, cooperative experience, other business experience, military service, income level, and community involvement.

### Age

A most dominant trait of directors involved age—96 percent were 35 or older (table 1). About 27 percent were 60 or older.

Directors serving the larger cooperatives tended to be older than those serving the small and medium cooperatives.

Table 1—Director age, by size of association

Size of association	Number of directors	Age			Total
		Under 35 years	35-59 years	60 years and over	
<i>Percent</i>					
Small . . . . .	570	6.9	68.4	24.7	100.0
Medium . . . .	536	4.7	72.0	23.3	100.0
Large . . . . .	727	2.3	65.2	32.5	100.0
Total . . . . .	1,833	4.4	68.2	27.4	100.0

## Education

Formal education of directors varied from those who attended elementary school only, probably reflecting the trend of earlier generations and hardship cases, to those who completed doctorates.

The survey also indicated directors on boards of large cooperatives had considerably more formal education than did the directors of small associations.

Of the total number of directors, 82 percent had completed high school (table 2). And, also of the total number of directors, 23 percent were college graduates.

About 33 percent of the directors of the small associations had college studies either as graduates or undergraduates, while 56 percent of the directors of the large associations had studied at college level or had completed college.

Informal education for use in their work as directors came in a variety of packages.

Thirty-nine percent of the directors had specific director training through educational meetings, workshops, seminars, and short courses (table 3). Another 28 percent had received training through orientation programs for new directors. About 9 percent of the directors had served as junior board members.

A larger proportion of directors of large associations had participated in specific director training and orientation programs than had directors for small and medium associations.

**Table 2—Director formal schooling, by size of association**

Size of association	Number of directors	Formal schooling				Total
		Under 4-yrs high school	High school	Some college	College graduate	
<i>Percent</i>						
Small . . . . .	563	26.6	40.7	18.8	13.9	100.0
Medium . . . .	532	16.2	37.6	22.9	23.3	100.0
Large . . . . .	721	13.5	30.5	26.2	29.8	100.0
Total . . . . .	1,816	18.3	35.7	23.0	23.0	100.0

Table 3—Director training, by size of cooperative

Size of association	Number of directors	Training received		Junior board members
		Specific director training such as educational meetings, workshops, seminars, short courses, etc.	Orientation program for new directors	
<i>Percent</i> <sup>1</sup>				
Small . . . . .	570	31.9	18.9	9.8
Medium . . .	536	38.1	30.8	10.4
Large . . . . .	727	45.5	33.6	7.6
Total . . . .	1,833	39.1	28.2	9.1

<sup>1</sup> Percentages based on the total number of directors in each size class.

## Farming Experience

Almost 88 percent of directors considered their usual occupation to be farming (table 4). Six percent were engaged in business management and about 3 percent in administrative work. Also represented were the banking, legal, and educational professions.

About 75 percent of the directors had 25 or more years of farming experience (table 5). About 40 percent had 35 years or

Table 4—Director occupation

Occupation	Number	Percent	Cumulative percent
Farming . . . . .	1,608	87.7	87.7
Business management . . . . .	117	6.4	94.1
Administrative . . . . .	48	2.6	96.7
Other professional . . . . .	22	1.2	97.9
Banking . . . . .	12	.7	98.6
Education . . . . .	6	.3	98.9
Legal . . . . .	6	.3	99.2
Other nonprofessional . . . . .	6	.3	99.5
No answer . . . . .	8	.5	100.0
Total . . . . .	1,833	100.0	---



Table 5—Director farming experience, by size of association

Size of association	Number of directors	Farming experience				Total
		Less than 5 yrs.	5-14 yrs.	15-24 yrs.	25-34 yrs. & over	
		Percent				
Small .....	570	2.4	6.7	15.6	34.6	100.0
Medium .....	536	2.6	6.0	16.8	37.3	100.0
Large .....	727	5.1	3.7	17.7	30.6	100.0
Total .....	1,833	3.5	5.3	16.8	33.8	100.0

more farming experience. Proportions of directors at various levels of farming experience held relatively steady in all three sizes of associations—small, medium, and large.

More than 90 percent of the directors either were full or part-owners of the farms that they operated.

The types of farm enterprises reflected the sample's being drawn from cooperatives throughout the United States. Sixty-six percent of the directors operated farms that included grain production. Sixty-three percent had livestock production. Dairy production involved 27 percent of the directors; fruits, 23 percent; vegetables, 16 percent; cotton, 15 percent and poultry enterprises, 14 percent. Other farming interests included: Wool; nuts; hay and forage crops; tobacco; sugarcane and sugar beets; rice; maple syrup and honey; timber, Christmas trees, and tree nurseries; seed production; and custom farming and trucking.

### Experience with Associations

More than 45 percent of the directors had been members of their cooperatives for 10 to 24 years (table 6). In addition, more than 35 percent had been members for 25 years or more. Together, more than 80 percent had been members of their associations for 10 years or more. The proportions held about the same in all sizes of cooperatives.

However, a variance appeared in the area of patronage. Nearly 80 percent of the directors patronized their own cooperatives for 81 to 100 percent of their farming requirements (table 7). This patronage category ranged from 74 percent for the directors of small cooperatives to 85 percent for the directors of large cooperatives.

Table 6—Director years of membership, by size of association

Size of association	Number of directors	Membership			Total
		Less than 10 yrs.	10-24 yrs.	25 yrs. & over	
<i>Percent</i>					
Small . . . . .	570	20.0	42.5	37.5	100.0
Medium . . . .	536	18.1	48.3	33.6	100.0
Large . . . . .	727	19.3	46.3	34.4	100.0
Total . . . . .	1,833	19.2	45.7	35.1	100.0

**Table 7—Director patronage, by size of association**

Size of association	Number of directors	Extent of patronage			Total
		20 pct. or less	21-80 pct.	81-100 pct.	
<i>Percent</i>					
Small . . . . .	568	5.5	20.4	74.1	100.0
Medium . . . . .	534	4.3	16.9	78.8	100.0
Large . . . . .	717	2.9	12.1	85.0	100.0
Total . . . . .	1,819	4.1	16.1	79.8	100.0

### Other Business, Leadership Experience

Directors of one cooperative are frequently members of another cooperative, and in degrees ranging from 42 to 20 percent of the time, depending on the types of cooperatives (table 8). Further, more than 58 percent of the time, these persons are also directors in the other cooperatives.

**Table 8—Memberships, directorships, and management positions held in other cooperatives**

Type of cooperative	Directors holding—		
	Memberships	Directorships	Management positions
<i>Percent<sup>1</sup></i>			
Marketing . . . . .	42.2	30.7	5.1
Farm supply . . . . .	34.0	17.1	3.1
Service . . . . .	20.2	10.7	2.5
Other service cooperatives:			
REA cooperatives . . . . .	21.8	2.0	.1
Production credit associations . . . . .	16.3	2.7	.3
Federal land bank associations . . . . .	15.9	2.8	.1
Mutual fire insurance co-ops . . . . .	12.4	2.0	.2
DHI co-ops . . . . .	9.9	4.1	.4
Rural telephone co-ops . . . . .	6.5	1.2	.1
Rural credit unions . . . . .	2.5	1.0	.1

<sup>1</sup> Percentages based on 1,833 directors in survey.

The survey's replies also showed that many directors had experience with businesses other than cooperatives. More than 21 percent of the cooperative directors had served as a director of a noncooperative corporation and 16 percent had held management positions in this type of firm (table 9). Directors also had management experience with partnerships, proprietorships, and the government.

**Table 9—Directorships and management positions held in noncooperatives**

Type of noncooperative	Directors holding—			
	Directorships		Management positions	
	Number	Percent <sup>1</sup>	Number	Percent <sup>1</sup>
Corporations . . . .	394	21.5	303	16.5
Government (ASCS, etc.) . . .	---	---	267	14.6
Partnerships . . . .	---	---	275	15.0
Proprietorships ..	---	---	140	7.6

<sup>1</sup> Percentages based on 1,833 directors in survey.

Almost 32 percent had served in leadership positions in the military service (table 10).

Seventy-five percent were members of trade or farm organizations and almost 39 percent had held offices in these organizations (table 11).

**Table 10—Director military service experience**

Military service	Number	Percent	Cumulative percent
None . . . . .	972	53.0	53.0
Enlisted . . . . .	238	13.0	66.0
NCO . . . . .	379	20.7	86.7
Officer . . . . .	201	11.0	97.7
No answer . . . . .	43	2.3	100.0
Total . . . . .	1,833	100.0	---

Table 11—Membership status and participation of cooperative directors in specific types of organizations

Type of organization	Membership status			Degree of participation		
	Organizations	Offices held	Regular	Occasional	Rare	
	<i>Percent<sup>1</sup></i>					
a. Trade or farm (Farmers Union, Farm Bureau, Grange, commodity groups, Chamber of Commerce, etc.) . . . . .	74.8	38.6	40.6	19.1	5.9	
b. Social or fraternal (Elks, Moose, Mason, Knights of Columbus, etc.) . . . . .	36.2	13.1	11.2	15.1	7.0	
c. Civic (Jaycees, Ruritan, Kiwanis, Lions, PTA, etc.) . . . . .	35.2	19.8	21.9	7.1	2.5	
d. Veterans (VFW, American Legion, etc.) . . . . .	19.6	6.7	4.5	7.3	6.4	
e. Other professional and business (American Marketing Association, AAEA, AIC, etc.) . . . . .	18.7	10.0	12.4	3.3	.6	
f. Church . . . . .	---	47.5	51.7	12.5	2.3	
g. Public office . . . . .	---	24.3	---	---	---	

<sup>1</sup> Percentages are based on 1,833 directors responding.

More than 36 percent were members of social, fraternal, and civic organizations. Almost 48 percent held offices in their churches.

More than 24 percent had held public offices and almost 20 percent held offices in civic organizations.

### **Income Levels**

Sixty percent of the directors received a total net household income from both farm and nonfarm sources of \$24,999 or less (table 12). However, there were considerable differences in the proportions of directors receiving a given level of income by size of association. As the size of association increased, the proportion of directors in the higher income levels increased.

About 25 percent of the directors of the small associations received \$10,000 or less, compared with only 6 percent of the directors of the large associations. Thirty percent of the directors of the large associations received \$40,000 or more, compared with only 11 percent for the small associations.

More than 76 percent of the directors received from 71 to 100 percent of their total net household income from farm sources (table 13). Only 9 percent of the directors received from 71 to 100 percent of their income from nonfarm sources (table 14).

## **DIRECTORS: THEIR JOBS**

More than 65 percent of the directors in the survey had been on their jobs for at least 5 years (table 15). Tenure figures suggest that, once elected to the board, directors are likely to continue in those posts. For example, 93 percent were serving continuous terms. About 30 percent had served 11 years or more.

More than 82 percent of the directors of the small associations were elected at large, while more than 63 percent of the directors of large associations were elected by district (table 16).

### **Time Devoted to the Position**

The directors, in estimating the number of days spent on cooperative affairs in the last 12 months, were asked to include meetings, committee work, and traveling to and from meetings. About 80 percent of the directors reported they spent 2 days or less on cooperative business each month (table 17). Directors of

Table 12—Total net household income of cooperative directors, by size of association

Size of association	Number of directors	Total household income				Total
		Under \$10,000	\$10,000-\$24,999	\$25,000-\$39,999	\$40,000 & over	
		<i>Percent</i>				
Small .....	535	24.9	51.8	12.5	10.8	100.0
Medium .....	511	15.1	47.0	17.4	20.5	100.0
Large .....	702	6.3	41.0	22.4	30.3	100.0
Total .....	1,748	14.5	46.1	17.9	21.5	100.0



**Table 13—Proportion of cooperative directors' total net household income coming from farm**

Proportion of income from farm	Number	Percent	Cumulative percent
91 - 100 percent . . . . .	930	50.7	50.7
81 - 90 percent . . . . .	278	15.2	65.9
71 - 80 percent . . . . .	192	10.5	76.4
61 - 70 percent . . . . .	55	3.0	79.4
51 - 60 percent . . . . .	45	2.5	81.9
41 - 50 percent . . . . .	92	5.0	86.9
31 - 40 percent . . . . .	30	1.6	88.5
21 - 30 percent . . . . .	35	1.9	90.4
11 - 20 percent . . . . .	32	1.7	92.1
10 percent or less . . . . .	144	7.9	100.0
Total . . . . .	1,833	100.0	---

**Table 14—Proportion of cooperative directors' total net household income coming from nonfarm sources**

Proportion of nonfarm income	Number	Percent	Cumulative Percent
91 - 100 percent . . . . .	90	4.9	4.9
81 - 90 percent . . . . .	28	1.5	6.4
71 - 80 percent . . . . .	47	2.6	9.0
61 - 70 percent . . . . .	23	1.3	10.3
51 - 60 percent . . . . .	96	5.2	15.5
41 - 50 percent . . . . .	19	1.0	16.5
31 - 40 percent . . . . .	61	3.3	19.8
21 - 30 percent . . . . .	132	7.2	27.0
11 - 20 percent . . . . .	137	7.5	34.5
10 percent or less . . . . .	1,200	65.5	100.0
Total . . . . .	1,833	100.0	---

**Table 15—Director years of service on the board, by size of association**

Size of association	Number of directors	Years of service				Total
		Under 5 years	5-10 years	11-20 years	21 years over	
<i>Percent</i>						
Small . . . . .	570	32.6	36.7	23.7	7.0	100.0
Medium . . . . .	536	33.8	38.8	22.6	4.8	100.0
Large . . . . .	727	35.3	32.5	23.7	8.5	100.0
Total . . . . .	1,833	34.0	35.6	23.3	7.0	100.0



**Table 16—Type of directorship held, by size of association**

Size of association	Number of directors	Directorship				Total
		Elected at large	Elected by district	Appoint- ed as public	Other <sup>1</sup>	
<i>Percent</i>						
Small . . . . .	570	82.6	13.3	2.5	1.6	100.0
Medium . . . .	536	58.6	37.5	.4	3.5	100.0
Large . . . . .	727	18.1	63.3	.7	17.9	100.0
Total . . . . .	1,833	50.1	40.2	1.1	8.6	100.0

<sup>1</sup> Includes directors who were elected by local associations to serve on the boards of regionals and some who were appointed by the boards of directors of local associations.

larger cooperatives tended to devote more time to cooperative affairs than directors of smaller cooperatives.

About 26 percent of the directors of small associations spent 6 days or fewer a year on cooperative affairs. About 10 percent of the directors of medium associations spent 6 or fewer days. And about 8 percent of the directors of large associations spent 6 or fewer days.

From another perspective, it was determined only 3 percent of the small association directors spent 30 days or more on cooperative affairs. The figures for medium and large association directors were 11 and 17 percent.

### **Managerial Responsibilities**

Directors presented strong consensus on how their cooperatives divide the responsibilities of managing between the directors and the managers of the cooperatives. The responsibilities were approached through five major functions of administration and management.

*Planning* was defined as making policy decisions for the future to ensure achievement of goals and objectives. Ninety-six

Table 17—Director time spent on cooperative affairs, by size of association

Size of association	Number of directors	Time spent on cooperative affairs					Total	
		6 days or less	7-12 days	13-18 days	19-24 days	25-30 days		Over 30 days
		Percent						
Small . . . . .	564	25.7	28.4	29.4	9.2	4.3	3.0	100.0
Medium . . . . .	534	10.3	21.9	30.9	17.8	8.2	10.9	100.0
Large . . . . .	725	7.6	20.3	24.3	17.2	13.5	17.1	100.0
Total . . . . .	1,823	14.0	23.3	27.8	14.9	9.1	10.9	100.0

percent of the directors indicated that the directors were responsible for the planning function (table 18). No great difference existed between the responses of the directors by size of association.

*Organizing* was defined as matching work and people under the best possible arrangement. Ninety-three percent of the directors indicated that management was responsible for the organizing function. A slightly higher percentage of the directors of the larger associations indicated that organizing was management's responsibility than did the directors of the smaller associations.

*Directing* was defined as giving personal leadership and guidance to day-to-day activities. Ninety-seven percent of the directors indicated that management was responsible for the directing function. There was no great difference between the responses of directors by size of association.

*Coordinating* was defined as combining limited resources to ensure teamwork and unity of purpose. Seventy-two percent of the directors indicated that management was responsible for the coordinating function. However, there were considerable differences in the opinions of directors concerning this function by size of association. As the size of association increased the proportion

**Table 18—Director opinions concerning primary responsibility for five major managerial functions, by size of association**

Major managerial functions	Primary responsibility	Size of association			Total
		Small	Medium	Large	
<i>Percent</i>					
Planning . . . . .	Directors	97	95	96	96
	Management	3	5	4	4
Organizing . . . . .	Directors	12	4	5	7
	Management	88	96	95	93
Directing . . . . .	Directors	4	2	2	3
	Management	96	98	98	97
Coordinating . . . . .	Directors	37	29	19	28
	Management	63	71	81	72
Controlling . . . . .	Directors	87	85	87	86
	Management	13	15	13	14

of directors indicating that coordinating was management's responsibility also increased.

*Controlling* was defined as seeing whether or not the established plans are being followed and specified goals and objectives are being attained. Eighty-six percent of the directors indicated that the directors were responsible for the controlling function. There was no great difference between the responses of directors by size of association.

## Growth and Development

Seventy-two percent of the directors thought their cooperatives were about the right size (table 19). About 26 percent thought they were too small.

The directors were asked to indicate about how far ahead their boards looked in discussing and making plans and how far ahead their boards should look in discussing and making plans. The responses clearly indicate that directors would prefer that their cooperatives plan ahead over a longer period than they are now (table 20).

A slightly higher percentage of the directors of larger cooperatives indicated a preference for longer range planning than the directors of smaller cooperatives. This could be because the larger associations were involved in activities that required a greater use of long-range planning.

Table 19—Director opinions regarding the size of their cooperative, by size of association

Size of association	Number of directors	Opinions concerning size			Total
		Too large	About right	Too small	
<i>Percent</i>					
Small . . . . .	564	.3	70.6	29.1	100.0
Medium . . . .	531	.9	72.3	26.8	100.0
Large . . . . .	714	2.5	73.4	24.1	100.0
Total . . . . .	1,809	1.4	72.2	26.4	100.0

Table 20— Comparison of directors' opinions regarding how far ahead the board actually looks in making plans to how far ahead the board should look in making plans, by size of association

Size of association	Actual vs. ideal	Number of directors	Planning period					Total
			0 — 1 year	2 — 3 years	4 — 5 years	6 — 10 years	Over 10 years	
			Percent					
Small . . . . .	Actual	567	24.7	38.8	22.2	7.8	6.5	100.0
	Ideal	568	9.9	33.8	27.6	18.1	10.6	100.0
Medium . . . . .	Actual	528	11.4	35.0	27.1	16.5	10.0	100.0
	Ideal	529	4.2	22.9	31.9	26.3	14.7	100.0
Large . . . . .	Actual	270	11.8	29.0	34.3	17.5	7.4	100.0
	Ideal	720	6.3	15.8	38.0	28.9	11.0	100.0
Total . . . . .	Actual	1,815	15.7	33.8	28.4	14.2	7.9	100.0
	Ideal	1,817	6.8	23.5	33.0	24.8	11.9	100.0

## Directors' Input on Board Decisions

There did not seem to be any question in directors' minds that they personally had influence on decisions of their boards. More than 91 percent of the directors felt that they either influenced board decisions to a considerable extent or to some degree (table 21). This opinion held firm through all three sizes of cooperatives.

Only about 35 percent of the directors favored making voting a matter of record for members' reference while 65 percent opposed (table 22).

**Table 21—Director opinions concerning their degree of personal influence on decisions of the board, by size of association**

Size of association	Number of directors	Degree of influence				Total
		To a considerable degree	To some degree	Not too much	Not at all	
<i>Percent</i>						
Small . . . . .	568	23.6	70.2	5.5	.7	100.0
Medium . . . . .	535	25.8	66.5	7.5	.2	100.0
Large . . . . .	723	21.3	67.9	9.4	1.4	100.0
Total . . . . .	1,826	23.4	68.2	7.6	.8	100.0

**Table 22—Director opinions on whether the board should make voting a matter of record for members' reference by size of association**

Size of association	Number of directors	Director response		Total
		Yes	No	
<i>Percent</i>				
Small . . . . .	557	37.9	62.1	100.0
Medium . . . . .	521	35.3	64.7	100.0
Large . . . . .	704	31.5	68.5	100.0
Total . . . . .	1,782	34.6	65.4	100.0

## Preparations for Decisions

As the size of the association increased, the more the directors indicated they needed information prior to board meetings. And as an average of all three size cooperative groups, almost 75 percent of all directors felt they needed information prior to a board meeting (table 23).

**Table 23—Director feelings on whether they need to receive information about a meeting before the meeting takes place, by size of association**

Size of association	Number of directors	Director response		Total
		Yes	No	
<i>Percent</i>				
Small . . . . .	556	62.4	37.6	100.0
Medium . . . . .	530	76.0	24.0	100.0
Large . . . . .	713	82.3	17.7	100.0
Total . . . . .	1,799	74.3	25.7	100.0

More than 69 percent would like to receive the information 1 to 5 days prior to the board meetings (table 24).

About 60 percent of the directors of small associations would like to receive the information 1 to 3 days in advance of

**Table 24—Number of days directors need information before a meeting, by size of association**

Size of association	Number of directors	Days before meeting information needed				Total
		1 - 3 days	4 - 5 days	6 - 7 days	More than 7 days	
<i>Percent</i>						
Small . . . . .	363	60.1	19.6	17.8	2.5	100.0
Medium . . . . .	399	47.8	30.1	17.6	4.5	100.0
Large . . . . .	587	27.5	29.6	31.9	11.0	100.0
Total . . . . .	1,349	42.3	27.1	23.8	6.8	100.0



the meeting while a like proportion of large cooperatives' directors would like to receive the information 4 to 7 days in advance of the meeting.

Directors were asked to indicate whether they needed the agenda, financial statements, minutes of the last meeting, or special information for decisions. The directors could indicate any combination of these four types of information they needed.

Also, directors were asked to indicate whether they currently received information prior to board meetings. About 77 percent of the directors received some type of information prior to board meetings.

A greater proportion of directors received the agenda, financial statements, and minutes of the last meeting as individual items than indicated they needed these items (table 25).

However, special information for specific decisions was needed by a greater proportion of directors than those who actually received this information. This was true regardless of size of association.

Interestingly, it appeared that directors of the larger associations needed more of the combination of types of information prior to board meetings than directors of smaller associations, even though directors of the larger associations were receiving more information than directors of smaller associations.

### Adequacy of Compensation

About 73 percent of the directors thought their compensation should be unchanged (table 26). Only about 27 percent thought their compensation should be increased. Less than 1 percent indicated their compensation should be decreased. The opinions did not vary to any great extent by size of association.

Table 26—Director opinions concerning compensation for time spent on cooperative affairs, by size of association

Size of association	Number of directors	Compensation should be—			Total
		Increased	Unchanged	Decreased	
<i>Percent</i>					
Small . . . . .	550	28.0	71.5	.5	100.0
Medium . . . .	528	27.7	72.3	.0	100.0
Large . . . . .	702	25.9	73.9	.2	100.0
Total . . . . .	1,780	27.1	72.7	.2	100.0



Table 25—Information needed compared with information received by directors prior to board meetings, by size of association

Size of association	Needed vs. received	Number of directors	Type of information				Combination of types				Total
			1. The agenda	2. Financial statements	3. Minutes of last meeting	4. Special information for decisions	Two types	Three types	Four types		
			Percent								
Small . . . . .	Needed	355	18.6	2.5	2.5	30.7	23.5	12.9	9.3	100.0	
	Received	349	24.7	3.4	6.6	22.3	24.9	12.1	6.0	100.0	
Medium . . .	Needed	398	11.1	2.5	1.3	15.3	28.2	24.6	17.0	100.0	
	Received	412	13.3	4.9	7.8	11.2	30.4	21.5	10.9	100.0	
Large . . . . .	Needed	593	7.9	.3	1.3	10.8	23.9	27.2	28.6	100.0	
	Received	644	12.3	.9	9.0	6.4	28.7	24.2	18.5	100.0	
Total . . . . .	Needed	1,346	11.7	1.6	1.6	17.4	24.9	22.7	20.1	100.0	
	Received	1,405	15.7	2.7	8.1	11.7	28.3	20.4	13.1	100.0	

## **Attitude toward Staying as Director**

In general, directors overwhelmingly would be pleased to continue service on the board. The only variance from this overall trend occurred among directors of small associations. They more often indicated they would prefer not to be reelected or reappointed (table 27).

## **DIRECTORS: THEIR THOUGHTS**

Turning from the profiles that are more evident and visible, the survey's final profile delves into the intangible—what directors think, their attitudes, their perceptions.

These responses take on greater significance as farmer cooperative concepts draw more and more questioning internally and from many sides. Even basic legislation—the Capper-Volstead Act—permitting farmers to organize cooperatives to serve their particular needs has been under attack.

Directors, in responding to a series of statements, indicated their thoughts in three ways: Agree, disagree, undecided.

### **About Basic Cooperative Concepts**

Most directors believed that "Cooperatives should function according to the traditional principles of cooperation" (app. table 24). And most disagreed with the statement: "A cooperative's first responsibility is to make as much profit as possible."

Seventy-five percent of the directors disagreed with the statement: "All things considered, there is really not much difference between cooperatives and competing noncooperative organizations."

Most directors, regardless of size of association, seemed to hold similar views about these important cooperative concepts.

### **About Member Treatment**

Equity in treatment of members is one of the important factors coming to the forefront in recent years. It is the duty of the board of directors as representatives of the members to come to grips with this problem. This problem is not made any easier by the facts that all members of a cooperative operate different sizes of farms and exercise different degrees of patronage.

Table 27—Director feelings about being reelected or reappointed for another term on the board, by size of association

Size of association	Number of directors	Feelings about being reelected or reappointed					Total
		Would be very pleased	Would be quite pleased	Would not be too pleased	Would not be at all pleased	Not sure how I would feel	
		Percent					
Small .....	562	47.4	33.1	4.6	2.8	12.1	100.0
Medium .....	528	52.8	33.7	2.8	.8	9.9	100.0
Large .....	711	63.7	29.5	1.4	1.3	4.1	100.0
Total .....	1,801	55.4	31.9	2.8	1.6	8.3	100.0

Also, as cooperatives grow, members wonder if their voices are heard in the affairs of the association.

These member situations heavily test director attitudes and perceptions.

Ninety-two percent of the directors agreed that "cooperative members should be given the same treatment regardless of volume of patronage." Ninety percent, regardless of size of association, thought their cooperatives were currently treating members in this manner.

Fifty-four percent of the directors disagreed with the statement: "It's a fact of life that the bigger a cooperative gets, the less responsive it is to members' needs." About 30 percent agreed with the statement. In the same vein of thought, 56 percent disagreed with the statement: "As cooperatives increase in size, they become less responsive to their smallest members." But 35 percent did agree with this statement.

Even though more than 50 percent disagreed with the two statements, there seems to be enough doubt to suggest a current issue over how small members are treated as cooperatives grow.

Ninety-two percent of the directors disagreed with the statement: "Smaller farm members don't really benefit cooperatives." Seventy-two percent of the directors disagreed that "larger farm operations benefit more from cooperatives than smaller ones." Only 51 percent disagreed that "large members contribute more to the success of your cooperative than small members." Forty-one percent agreed with this statement. While it appears that most directors thought that both small and large members benefited from cooperatives, there was no unanimity of opinion that large members contributed more to the success of a cooperative than small members.

Fifty-one percent of the directors thought that "cooperatives should develop a plan for immediately retiring retained earnings (equities) to members who move or retire." Thirty-four percent disagreed with this statement and 15 percent were undecided.

There was a substantial difference in the level of agreement by size of association. Sixty-one percent of the directors of the small associations agreed with the statement compared with 45 percent of the directors of large associations. Apparently directors of the smaller associations were more interested in having retained

earnings retired than were directors of the larger associations.

## **About Cooperative Operations**

The directors' perspective leaves no doubt how they feel on some elements involved in the overall operations of a cooperative. On other points, there is no clear-cut consensus.

Ninety-four percent of the directors disagreed that "more emphasis should be placed on growth of a cooperative than on service to members."

Seventy percent of the directors felt that "cooperatives must engage in both supply and marketing in order to survive in today's economic environment." Directors of the smaller cooperatives felt more strongly about this than did directors of large associations.

A mixed response was given: "Cooperatives too often get into the hands of cliques." Forty percent of the directors disagreed with this statement, 36 percent agreed, while 24 percent were undecided. A greater degree of participation in the activities of the cooperatives by members and directors could possibly allay these fears somewhat.

Directors were asked to respond to selected statements of situations dealing with organizational structure.

Ninety-six percent of the directors indicated that "It is absolutely essential for a cooperative to have a strong central management" (app. table 25). There seemed to be some differences of opinion as to which organizational structure gives members the better service and control. Fifty-seven percent of the directors disagreed with the statement "Members have more control over the operations of a federated cooperative than of an independent local or centralized cooperative." About 12 percent agreed with the statement and 31 percent were undecided. Fifty percent agreed with: "A centralized cooperative is structured to serve members better than a federated cooperative." However, 12 percent disagreed and 38 percent were undecided. A slightly higher percentage of directors of small associations agreed with this statement than directors of large associations.

Although most directors thought a strong central management was essential for a cooperative, apparently they did not favor either the federated or centralized type by a clear-cut majority.



Ninety-three percent of the directors agreed that "Public relations activities and responsibilities are as necessary for cooperatives as for profit-type businesses."

## **About Directors**

Qualifications of directors have become of increasing concern in recent years. This should not only be of concern to the board but should be of the utmost importance to the members of the association and the nominating committee charged with the responsibility of selecting candidates for the board.

There is thinking in some quarters that more young farmers should be on director boards to provide diversity of opinions, and that the number of terms a director should serve should be somewhat limited.

There is the feeling by some that a director should bring some knowledge or skill to the board. This would help broaden the board's knowledge and wisdom in dealing with problems of the cooperative.

Sixty-six percent of the directors agreed with: "Most directors of your cooperative do not consider prestige an important reason for accepting a directorship" (app. table 26). There were some differences by size of firm; for instance, 71 percent of the directors of the small associations agreed with the statement, compared with 58 percent for the large associations.

Seventy percent of the directors disagreed with: "Any qualified person should be eligible for directorship whether he is a farmer or not." This suggests strong feelings that directors should be farmers.

There also was a strong feeling that directors should be allowed to serve consecutive terms. However, there was some mixed feeling concerning the statement: "There should be a limit on the number of terms a person can serve as a director." About 54 percent disagreed with the statement, 34 percent agreed and 12 percent were undecided. Forty-five percent of the directors of small cooperatives disagreed with the statement, compared with 63 percent of the directors of large associations.

Seventy-one percent of the directors agreed with the statement: "Directors of your cooperative represent a wide diversity of business experience;" 23 percent disagreed and 6 percent were undecided.

Although most directors thought that their boards had a wide diversity of business experience and thought that it was as important for directors to have knowledge about business as managers, they did not agree that an individual should have some special skill or knowledge to be nominated as a director. Also, there was no preponderance of feeling that knowledge about business was more important for successful directorship than knowledge about farming.

## **About Decisionmaking**

The board of directors, as representatives of the membership, is constantly in the decisionmaking arena. The board must carry out the duties and responsibilities imposed on it by the articles of incorporation, the bylaws of the association, and the State laws under which the cooperative is incorporated.

In recent years, boards and individual directors have been held liable for certain decisions. The board represents the members in making decisions because members are unable to meet in a body and run the association.

Seventy-nine percent of the directors agreed with: "Most directors of your cooperative work hard to keep well informed about the operations of the cooperative" (app. table 27). This underlines a realization that better informed directors would be able to make better decisions for the cooperative.

Seventy-three percent of the directors agreed with: "Most directors of your cooperative take an active part in introducing new ideas." It is interesting to note that 82 percent of the directors of small associations agreed with this statement, compared with only 62 percent of the directors of large associations.

A much higher proportion—94 percent—of the directors agreed with: "A director should take an active part in introducing new ideas and ways of making decisions." This feeling was the same regardless of the size of association.

There was strong disagreement—91 percent disagreed—with the statement: "The only time this board makes an important decision is during a crisis."

It is surprising that 65 percent of the directors agreed with: "Boards should make all important final decisions, not management." Undoubtedly, the key here is the word "important." There

are many areas where management should make final decisions. Twenty-nine percent of the directors disagreed with the statement.

Sixty percent of the directors disagreed with the *perception*: "This board rarely ever changes or modifies management's decisions or proposals." But 35 percent of the directors agreed with the statement. However, the directors reacted much more strongly in their *attitude* toward this situation. Ninety-two percent disagreed with the statement: "Boards should not change or modify managements' proposals." There was no great difference in the attitude by size of directors' association.

Apparently most directors work hard to keep informed, take part in introducing new ideas, make decisions without being in a crisis situation and do modify management's decisions and proposals. Directors think boards should make all important final decisions, not management.

Sixty percent of the directors agreed with: "Most directors of your cooperative make a point of discussing cooperative affairs informally with individual members." Only 54 percent of the directors of small associations agreed with the statement, compared with 67 percent of the directors of large associations.

The responses were mixed on referring major policy issues to members before final decision by the board. Fifty percent of the directors disagreed with the statement: "It is a general policy of this board to refer major issues to members before making a final decision." Forty-one percent of the directors of small associations disagreed with this statement, compared with 54 percent of the directors of large associations. Fifty-one percent of the directors agreed that "Boards should refer major policy issues to members before making a final decision." Sixty percent of the directors of the small associations agreed with the statement, while only 45 percent of the directors of large associations agreed.

Although directors made a point of discussing cooperative affairs informally with individual members, the boards are not now fully committed to referring major issues to members before making a final decision. There does not appear to be an overwhelming attitude toward supporting this measure.

### **About Director-Manager Relations**

The working relationship between the board of directors and the manager is most important for the success of the cooper-



ative. Although the board has the power to hire and fire the manager, it must depend on him to make executive decisions in the day-to-day operation of the cooperative.

Most important in this working relationship is recognition by both the board and management where board decisionmaking ends and the manager's responsibility for executive decisions begins.

The successful operation of the cooperative depends on the mutual respect the board of directors and manager have for each other. On the other hand, areas of conflict occur when the board and manager carry out their different responsibilities. A board that is a "rubber stamp" for the manager fails to carry out its responsibilities to the members. Likewise a "weak-kneed" manager who leans on the board for decisions that are clearly in his own province is failing his responsibilities. He is imposing on the time that the board should devote to its own work plus the fact that he is encouraging the board to intervene in an area of decisionmaking for which the membership is paying the salary of a manager to occupy.

Eighty-seven percent of the directors agreed with: "This board has complete confidence in its management" (app. table 28). This was true regardless of size of association. Almost the same proportion agreed with: "Boards should have complete confidence in management's actions." This reflection of a strong attitude of confidence in management was valid for all association sizes.

Other responses in the survey suggest a great deal of informality exists between the management and the board, which led to directors' acknowledging actuality of an atmosphere of mutual consultation between management and the board. Directors, in another question, reflected an even stronger attitude for desiring this direction. However, most directors did not believe that they were too friendly with management. The feeling of the directors seemed to be that there was a good working relationship with management even though the atmosphere was informal.

Sixty-three percent of the directors disagreed with: "In your cooperative, management and the board have a desire to work together but have fundamental differences on how to achieve a common goal." Sixty-seven percent of the directors agreed with the statement: "This board gives management support even on ideas on which there is disagreement."

Fifty-eight percent of the directors agreed with: "This board functions primarily in an advisory capacity to management rather than as initiators of actions directed to management."

However, there was considerable difference in the thinking of directors when their attitudes were indicated on this particular situation. Fifty-eight percent disagreed with the statement: "Boards should function primarily in an advisory capacity rather than as initiators of action directed to management." Apparently, the directors were indicating that boards should become initiators of actions directed to management rather than functioning mostly in an advisory capacity.

The reactions of directors were mixed on the statement: "Board meetings very often involve debate concerning issues viewed differently by the board and management." Fifty percent disagreed, 45 percent agreed, and 5 percent were undecided on this statement.

Apparently, management and the boards had a desire to work together to achieve common goals. The boards supported management even on ideas on which there is disagreement. However, directors feel that they should direct more actions toward management. Debates on issues viewed differently by management and the board took place in the meetings. This does not substantiate the view expressed by some that director boards are rubber stamps for management's actions.

## **About Member Relations**

Directors are elected by the membership and charged with the responsibility of representing them in the operation of their association. For directors to operate the association in the interest of the members, it is necessary for them to know the wants and needs of members. Similarly, it is necessary to keep the membership informed about what is going on in their association. To do this, the board must expend some effort in finding out from members what their wants and needs are.

A director by virtue of his qualifications to serve may be a farmer and certainly should patronize his association. Still he represents more than just his own interest in the cooperative. He, therefore, must devote some time in contact with the membership in order to reflect their wants and needs in the operation of the cooperative.

Ninety-two percent of the directors agreed with: "Most directors of your cooperative are very aware of members' needs and requirements" (app. table 29). Evidently, most directors recognized the need of the board to be aware of members' thinking.

Seventy-six percent of the directors disagreed with the statement: "This board does not review member complaints, since this is strictly a management matter." However, directors' attitudes reflected a stronger feeling on this situation. Eighty-three percent disagreed with the statement: "Boards should not review member complaints since this is strictly a management matter." Evidently directors thought their boards should do more reviewing of member complaints than they were currently doing.

The reactions were mixed to the statement: "All members should be able to submit their complaints directly to the board without going through management." Fifty-two percent agreed with the statement, 43 percent disagreed, and 5 percent were undecided. Fifty-seven percent of the small associations' directors agreed with the statement, compared with 48 percent of the large associations' directors.

Fifty-six percent of the directors disagreed with the statement: "Members would be better served if they were furnished with financial reports, including profit and loss statements and balance sheets of their cooperatives more often than once a year." About 33 percent agreed with this statement and 11 percent were undecided.

In sum, directors thought they were aware of members' needs. They thought they should do more in reviewing member complaints. Directors were divided as to whether member complaints should be submitted directly to the board, which would bypass management. A substantial proportion thought that members would not be better served by receiving financial statements more often than once per year.

## **About Controls**

Control is probably second to planning as the most important management function for which a board of directors is responsible.

To exercise its control function, the board has responsibility for measuring the cooperative's progress toward goals and standards established in the planning process. If the board finds that

adequate progress has not been made, then it must take corrective action or modify its plans and programs.

Directors' responses to several situation statements indicate the directors probably were doing an effective job in carrying out their responsibility of controlling.

Ninety-three percent of the directors agreed with: "This board has considerable knowledge about the cooperative's strengths and weaknesses" (app. table 30).

There appeared to be no question in the minds of the directors as to whether they had effective control of their cooperatives. Eighty-eight percent disagreed with the statement: "This board does not have effective control of the cooperative."

Further, 84 percent of the directors disagreed with the statement: "It would be quite difficult for this board to discharge a manager who has not performed well." This would refute a frequent lament that many directors will resign rather than fire the manager.

Eighty-two percent of the directors agreed with: "This board bases its appraisals of cooperative affairs largely on data and reports provided by management." However, a substantially smaller proportion reflected this attitude in responding to the statement: "Boards should base appraisals of cooperative affairs largely on information provided by management." Fifty-eight percent agreed with the statement, 31 percent disagreed, and 11 percent were undecided. Apparently even though they were currently basing their appraisals of cooperative affairs largely on reports provided by the management, they were less certain that this should be the case. This suggests they might be interested in some other sources for data.

Eighty percent of the directors disagreed with the statement: "Most directors of your cooperative do not raise questions concerning issues which they do not understand." Questioning and requiring answers from management is deemed a responsibility of directors.

Reactions were divided on the statement: "Management should be held more responsible for cooperative performance than the board." Forty-six percent of the directors agreed with the statement, 44 percent disagreed, and 10 percent were undecided.

Precisely, directors felt their boards:

— Had considerable knowledge concerning the cooperatives' strengths and weaknesses;

- Had effective control of the cooperatives;
- Would find no difficulty in discharging a manager who had not performed;
- Based their appraisals of cooperative affairs on reports furnished by management, but would prefer not to rely as heavily on these reports;
- Raised questions concerning issues that they did not understand;
- Were divided about evenly as to whether management should be held more responsible for cooperative performance than the board.

The attitudes and perceptions suggest most directors have a healthy attitude, based upon accepted criteria, toward their responsibilities in controlling their cooperatives. By the same token, there appears room for improvement.



**Appendix table 1—Cooperatives in sample by size and geographical location**

Size Class	Geographical location						All areas	
	North-east	South-east	North Central	Great Plains	Inter-Mountain	Pacific	Number	Percent
<i>Number</i>								
Small . . .	16	21	37	26	19	18	137	48.3
Medium .	13	14	19	11	9	17	83	29.4
Large . . .	6	13	12	13	4	15	63	22.3
Total .	35	48	68	50	32	50	283	100.0
Percent .	12.4	16.9	24.0	17.7	11.3	11.7	100.0	---

**Appendix table 2—Director responding by size of association and geographical location**

Size class	Geographical location						All areas	
	North-east	South-east	North Central	Great Plains	Inter-Mountain	Pacific	Number	Percent
<i>Number</i>								
Small . . .	64	86	158	101	87	74	570	31.1
Medium .	71	127	123	62	57	96	536	29.2
Large . . .	71	149	163	158	26	160	727	39.7
Total .	206	362	444	321	170	330	1,833	100.0
Percent .	11.3	19.7	24.2	17.5	9.3	18.0	100.0	---

**Appendix table 3—Total assets, by size of association**

Associations		Total assets			Total
Size	Number	Less than \$500,000	\$500,000 to \$2.5 million	More than \$2.5 million	
Percent					
Small . . . . .	137	54.7	43.8	1.5	100.0
Medium . . . . .	83	4.8	31.3	63.9	100.0
Large . . . . .	63	7.9	9.5	82.6	100.0
Total . . . . .	283	29.7	32.5	37.8	100.0



**Appendix table 4—Membership by size of association**

Associations		Producer members			Total
Size	Number	Less than	150 - 500	Over 500	
		150			
<i>Percent</i>					
Small . . . . .	137	40.9	32.8	26.3	100.0
Medium . . . . .	83	16.9	30.1	53.0	100.0
Large . . . . .	63	27.0	14.3	58.7	100.0
Total . . . . .	283	30.7	27.9	41.4	100.0

**Appendix table 5—Organizational structure, by size of association**

Associations		Organizational structure				Total
Size	Number	Central- ized	Local of federation	Federal- central- combina- tion	Federation	
Percent						
Small . . . . .	137	84.7	10.2	2.2	2.9	100.0
Medium . . . . .	83	68.7	16.9	10.8	3.6	100.0
Large . . . . .	63	55.6	4.8	19.0	20.6	100.0
Total . . . . .	283	73.5	11.0	8.5	7.0	100.0

**Appendix table 6—Type of cooperative, by size of association**

Associations		Type of association			Total
Size	Number	Marketing	Farm supply	Service	
<i>Percent</i>					
Small . . . . .	137	65.0	32.1	2.9	100.0
Medium . . . . .	83	83.1	16.9	0.0	100.0
Large . . . . .	63	85.7	14.3	0.0	100.0
Total . . . . .	283	74.9	23.7	1.4	100.0

**Appendix table 7—Commodities cooperatives market**

Commodities marketed	Associations marketing products	
	Processed	Unprocessed
	<i>Number</i>	
Grain . . . . .	38	
Fruit . . . . .	27	32
Dairy . . . . .	25	26
Poultry . . . . .	12	8
Vegetables . . . . .	11	9
Cotton . . . . .	5	14
Livestock . . . . .	2	17
Nuts . . . . .	2	2
Tobacco . . . . .	1	5
Sugar cane . . . . .	1	0
Honey . . . . .	1	0
Seed . . . . .	1	0
Wool . . . . .	0	3

**Appendix table 8—Farm supplies cooperatives provide**

Farm supplies provided	Number of associations
Chemical . . . . .	135
Feed . . . . .	130
Fertilizer . . . . .	130
Seed . . . . .	122
Petroleum . . . . .	83
Building materials . . . . .	43
Machinery . . . . .	36
Packaging supplies . . . . .	14
Hardware . . . . .	6
Groceries . . . . .	3
L.P. gas . . . . .	1
Unspecified . . . . .	55

**Appendix table 9—Services cooperatives provide**

Services provided	Number of associations
Storage . . . . .	35
Ginning cotton . . . . .	12
Trucking or hauling . . . . .	6
Grove care . . . . .	3
Harvesting . . . . .	2
Rice drying . . . . .	2
Hulling almonds . . . . .	1
Packing fruit . . . . .	1
Application of pesticides . . . . .	1
Rolling feed . . . . .	1
Grinding . . . . .	1
Purchasing feeder pigs and cattle . . . . .	1
Locker room meat processing . . . . .	1
Unspecified . . . . .	39

Appendix table 10—Size of boards of directors

Number of boards	Number of directors per board	Percent of boards	Cumulative percentage
3	4	1.1	1.1
51	5	18.0	19.1
14	6	4.9	24.0
59	7	20.8	44.9
10	8	3.5	48.4
60	9	21.2	69.6
17	10	6.0	75.6
12	11	4.2	79.9
7	12	2.5	82.3
6	13	2.1	84.5
4	14	1.4	85.9
12	15	4.2	90.1
6	16	2.1	92.2
1	18	0.4	92.6
1	19	0.4	92.9
2	20	0.7	93.6
2	21	0.7	94.3
1	23	0.4	94.7
3	24	1.1	95.8
2	25	0.7	96.5
1	26	0.4	96.8
1	27	0.4	97.2
1	30	0.4	97.5
1	31	0.4	97.9
1	32	0.4	98.2
1	34	0.4	98.6
1	36	0.4	98.9
1	39	0.4	99.3
1	59	0.4	99.6
1	127	0.4	100.0
Total 283	---	100.0	---

Appendix table 11—Size of board of directors, by size of association

Associations			Board size			Total
Size	Number	5 or less	6 - 9	10 - 15	More than 15	
Percent						
Small . . . . .	137	32.1	57.7	10.2	0.0	100.0
Medium . . . . .	83	9.6	53.0	27.8	9.6	100.0
Large . . . . .	63	3.2	31.7	33.4	31.7	100.0
Total . . . . .	283	19.1	50.5	20.5	9.9	100.0

Appendix table 12—Director boards having specified lengths of terms

Number of boards	Length of directors' terms (years)	Percent of boards	Cumulative percentage
37	1	13.1	13.1
27	2	9.5	22.6
210	3	74.1	96.8
5	4	1.8	98.6
1	5	0.4	98.9
2	6	0.7	99.6
1	7	0.4	100.0
Total 283	---	100.0	---

Appendix table 13—Board terms, by size of association

Associations		Board terms			Total
Size	Number	1 - 2 years	3 years	More than 3 years	
<i>Percent</i>					
Small . . . . .	137	24.1	71.5	4.4	100.0
Medium . . . . .	83	22.9	74.7	2.4	100.0
Large . . . . .	63	19.0	79.4	1.6	100.0
Total . . . . .	283	22.6	74.2	3.2	100.0

Appendix table 14—Compensation policy for regular board meetings, by size of association

Association		Compensation policy				Total
Size	Number	Fixed dollar amount plus expenses	Fixed dollar amount only	Expenses only	No compensation	
Percent						
Small . . . . .	124	29.8	43.5	6.5	20.2	100.0
Medium . . . . .	83	53.1	36.1	6.0	4.8	100.0
Large . . . . .	61	83.5	6.6	3.3	6.6	100.0
Total . . . . .	268	49.3	32.8	5.6	12.3	100.0

Appendix table 15—Compensation policy for special board meetings, by size of association

Association		Compensation policy				Total
Size	Number	Fixed dollar amount plus expenses	Fixed dollar amount only	Expenses only	No compensation	
<i>Percent</i>						
Small . . . . .	83	38.6	27.7	12.0	21.7	100.0
Medium . . . . .	68	57.3	25.0	11.8	5.9	100.0
Large . . . . .	55	80.0	1.8	10.9	7.3	100.0
Total . . . . .	206	55.8	19.9	11.7	12.6	100.0

Appendix table 16—Director benefits, by size of association

Benefits	Number of associations	Size of association			Total
		Small	Medium	Large	
<i>Percent</i>					
Director liability insurance . . . . .	79	44.3	29.1	26.6	100.0
Life insurance . . . . .	40	30.0	32.5	37.5	100.0
Medical insurance . . . . .	32	21.9	28.1	50.0	100.0
Travel & accident insurance . . . . .	30	13.3	30.0	56.7	100.0
Dental insurance . . . . .	1	0.0	0.0	100.0	100.0

Appendix table 17—Director benefits paid by cooperative

Benefits offered	Associations offering	Proportion paid by cooperative			Total
		All	Some	None	
	<i>Number</i>		<i>Percent</i>		
Director liability insurance . . . . .	79	91.1	3.8	5.1	100.0
Life insurance . . . . .	40	72.5	22.5	5.0	100.0
Medical insurance . . . . .	32	53.1	43.8	3.1	100.0
Travel & accident insurance . . . . .	30	70.0	20.0	10.0	100.0
Dental insurance . . . . .	1	100.0	0.0	0.0	100.0

Appendix table 18—Regular board meetings by number of meetings per year

Number of boards	Number of meetings per year	Percent of boards	Cumulative percentage
8	1	2.8	2.8
8	2	2.8	5.6
11	3	3.9	9.5
22	4	7.8	17.3
6	5	2.1	19.4
5	6	1.8	21.2
4	7	1.4	22.6
9	8	3.2	25.8
6	9	2.1	27.9
15	10	5.3	33.2
18	11	6.4	39.6
158	12	55.8	95.4
4	13	1.4	96.8
1	14	0.4	97.2
1	16	0.4	97.5
2	18	0.7	98.2
1	21	0.4	98.6
1	23	0.4	98.9
1	25	0.4	99.3
1	30	0.4	99.6
1	43	0.4	100.0
Total 283	---	100.0	---



**Appendix table 19—Number of regular board meetings, by size of association**

Associations		Regular board meetings			Total
Small	Number	Less than 12	12	More than 12	
<i>Percent</i>					
Small . . . . .	137	40.9	56.2	2.9	100.0
Medium . . . . .	83	25.3	71.1	3.6	100.0
Large . . . . .	63	55.6	34.9	9.5	100.0
Total . . . . .	283	39.6	55.8	4.6	100.0

**Appendix table 20—Associations having special board meetings, by size of association**

Size of association	All associations	Special meetings	
	<i>Number</i>	<i>Percent</i>	
Small . . . . .	137	88	64.2
Medium . . . . .	83	65	78.3
Large . . . . .	63	31	49.2
Total . . . . .	283	184	65.0

**Appendix table 21—Number of special board meetings by size of association**

Associations		Special board meetings (entire board)			Total
Size	Number	Less than 5	5 - 10	More than 10	
<i>Percent</i>					
Small . . . . .	88	83.0	13.6	3.4	100.0
Medium . . . . .	65	86.1	10.8	3.1	100.0
Large . . . . .	31	80.6	19.4	0.0	100.0
Total . . . . .	184	83.7	13.6	2.7	100.0

Appendix table 22—Associations having special board committee meetings, by size of associations

Size of association	All assns.	Special board committee meetings	
		<i>Number</i>	<i>Percent</i>
Small .....	137	28	20.4
Medium .....	83	47	56.6
Large .....	63	46	73.0
Total .....	283	121	42.8

Appendix table 23—Number of special board committee meetings, by size of association

Associations		Special board committee meetings			Total
Size	Number	Less than 5	More than 5 - 10	10	
<i>Percent</i>					
Small . . . . .	28	89.3	10.7	0.0	100.0
Medium . . . .	47	48.9	34.1	17.0	100.0
Large . . . . .	46	69.9	21.7	8.7	100.0
Total . . . . .	121	66.1	24.0	9.9	100.0

Appendix table 24—Director attitudes and perceptions concerning cooperative concepts, by size of association

Statement	Scale of response	Directors, by association size			All assns.
		Small	Medium	Large	
Percent					
a. Cooperative principles					
1. Cooperatives should function according to the traditional principles of cooperation.	Agree	78	77	80	79
	Undecided	13	13	11	12
	Disagree	9	10	9	9
2. A cooperative's first responsibility is to make as much profit as possible.	Agree	13	14	22	17
	Undecided	3	4	3	3
	Disagree	84	82	75	80
3. All things considered, there is really not much difference between cooperatives and competing noncooperative organizations.	Agree	15	16	16	16
	Undecided	10	9	8	9
	Disagree	75	75	76	75
b. Member treatment					
4. Cooperative members should be given the same treatment regardless of volume of patronage.	Agree	94	93	89	92
	Undecided	3	3	3	3
	Disagree	3	4	8	5

Appendix table 24—Director attitudes and perceptions concerning cooperative concepts, by size of association—Continued

Statement	Scale of response	Directors, by association size			All assns.
		Small	Medium	Large	
		Percent			
5. Members of your cooperative are treated the same regardless of their volume of patronage.	Agree Undecided Disagree	92 2 6	90 2 8	89 2 9	90 2 8
6. It's a fact of life that the bigger a cooperative gets, the less responsive it is to members' needs.	Agree Undecided Disagree	30 18 52	33 18 49	28 14 58	30 16 54
7. As cooperatives increase in size, they become less responsive to their smallest members.	Agree Undecided Disagree	33 9 58	38 9 53	34 10 56	35 9 56
8. Smaller farm members don't really benefit cooperatives.	Agree Undecided Disagree	4 4 92	3 5 92	4 4 92	4 4 92
9. Larger farm operations benefit more from cooperatives than smaller ones.	Agree Undecided Disagree	24 11 65	17 9 74	17 8 75	19 9 72

Appendix table 24—Director attitudes and perceptions concerning cooperative concepts, by size of association—Continued

Statement	Scale of response	Directors, by association size			All assns.
		Small	Medium	Large	
		<i>Percent</i>			
10. Large members contribute more to the success of your cooperative than small members.	Agree Undecided Disagree	39 10 51	45 9 46	40 7 53	41 8 51
11. Cooperatives should develop a plan for immediately retiring retained earnings (equities) to members who move or retire.	Agree Undecided Disagree	61 16 23	50 15 35	45 14 41	51 15 34
c. Cooperative operations					
12. More emphasis should be placed on growth of a cooperative than on service to members.	Agree Undecided Disagree	4 3 93	4 2 94	3 3 94	3 3 94
13. Cooperatives must engage in both supply and marketing in order to survive in today's economic environment.	Agree Undecided Disagree	79 7 14	72 7 21	63 8 29	70 8 22
14. Cooperatives too often get into the hands of cliques.	Agree Undecided Disagree	35 25 40	34 26 40	37 21 42	36 24 40

Appendix table 25—Director attitudes and perceptions concerning organizational structure, by size of association

Statement	Scale of response	Directors, by association size			All assns.
		Small	Medium	Large	
		Percent			
1. It is absolutely essential for a cooperative to have a strong central management.	Agree Undecided Disagree	96 3 1	96 2 2	97 1 2	96 2 2
2. Members have more control over the operations of a federated cooperative than of an independent local or centralized cooperative.	Agree Undecided Disagree	10 34 56	10 30 60	16 27 57	12 31 57
3. A centralized cooperative is structured to serve members better than a federated cooperative.	Agree Undecided Disagree	55 39 6	50 40 10	47 35 18	50 38 12
4. Public relations activities and responsibilities are as necessary for cooperatives as for profit-type businesses.	Agree Undecided Disagree	92 5 3	92 4 4	96 1 3	93 3 4



Appendix table 26—Director attitudes and perceptions concerning director qualifications, by size of association

Statement	Scale of response	Directors, by association size			All assns.
		Small	Medium	Large	
<i>Percent</i>					
1. Most directors of your cooperative do not consider prestige an important reason of accepting a directorship.	Agree	71	71	58	66
	Undecided	11	12	15	13
	Disagree	18	17	27	21
2. Any qualified person should be eligible for directorship whether he is a farmer or not.	Agree	27	24	22	24
	Undecided	7	5	5	6
	Disagree	66	71	73	70
a. Term of service					
3. A director should not be allowed to serve consecutive terms.	Agree	9	5	4	6
	Undecided	5	2	1	3
	Disagree	86	93	95	91
4. There should be a limit on the number of terms a person can serve as a director.	Agree	43	35	27	34
	Undecided	12	12	10	12
	Disagree	45	53	63	54

Appendix table 26—Director attitudes and perceptions concerning director qualifications, by size of association—Continued

Statement	Scale of response	Directors, by association size			All assns.
		Small	Medium	Large	
<i>Percent</i>					
b. Business experience					
5. Directors of your cooperative represent a wide diversity of business experience.	Agree	61	73	77	71
	Undecided	8	7	3	6
	Disagree	31	20	20	23
6. There should be a requirement that a member have some special skill or knowledge to be nominated for a directorship.	Agree	25	26	29	27
	Undecided	9	8	8	8
	Disagree	66	66	63	65
7. It is not as important for directors to have knowledge about business as for managers.	Agree	40	42	44	42
	Undecided	6	5	4	5
	Disagree	54	53	52	53
8. Knowledge about business is more important for successful directorship than knowledge about farming.	Agree	38	45	51	46
	Undecided	15	15	11	13
	Disagree	47	40	38	41

Appendix table 27—Director attitudes and perceptions concerning decisionmaking, by size of association

Statement	Scale of response	Directors, by association size			All assns.
		Small	Medium	Large	
		Percent			
1. Most directors of your cooperative work hard to keep well informed about the operations of the cooperative.	Agree Undecided Disagree	76 13 11	81 11 8	80 10 10	79 11 10
a. Responsibility for decisionmaking					
2. Most directors of your cooperative take an active part in introducing new ideas.	Agree Undecided Disagree	82 6 12	77 6 17	62 9 29	73 7 20
3. A director should take an active part in introducing new ideas and ways of making decisions.	Agree Undecided Disagree	96 3 1	93 5 2	92 4 4	94 4 2
4. The only time this board makes an important decision is during a crisis.	Agree Undecided Disagree	10 1 89	6 1 93	9 1 90	8 1 91
5. Boards should make all important final decisions, not management.	Agree Undecided Disagree	68 8 24	67 5 28	61 6 33	65 6 29

Appendix table 27—Director attitudes and perceptions concerning decisionmaking, by size of association—Continued

Statement	Scale of response	Directors, by association size			All assns.
		Small	Medium	Large	
		<i>Percent</i>			
6. This board rarely ever changes or modifies management's decisions or proposals.	Agree Undecided Disagree	38 6 56	29 5 66	39 3 58	35 5 60
7. Boards should not change or modify management's proposals.	Agree Undecided Disagree	6 5 89	3 4 93	4 3 93	4 4 92
b. Member involvement in decisionmaking					
8. Most directors of your cooperative make a point of discussing cooperative affairs informally with individual members.	Agree Undecided Disagree	54 17 29	56 16 28	67 13 20	60 15 25
9. It is a general policy of this board to refer major issues to members before making a final decision.	Agree Undecided Disagree	54 5 41	44 4 52	43 3 54	46 4 50
10. Boards should refer major policy issues to members before making a final decision.	Agree Undecided Disagree	60 6 34	49 7 44	45 6 49	51 6 43

Appendix table 28—Director attitudes and perceptions concerning the working relationship with management, by size of association

Statement	Scale of response	Directors, by association size			All assns.
		Small	Medium	Large	
Percent					
1. This board has complete confidence in its management.	Agree Undecided Disagree	88 7 5	84 8 8	89 6 5	87 7 6
2. Boards should have complete confidence in management's actions.	Agree Undecided Disagree	86 4 10	88 3 9	84 3 13	85 4 11
a. Informality with management					
3. In this cooperative there generally exists a great deal of informality between management and the board.	Agree Undecided Disagree	88 3 9	80 5 15	79 3 18	82 4 14
4. There is an open atmosphere of mutual consultation between management and the board.	Agree Undecided Disagree	94 3 3	93 3 4	93 2 5	94 2 4

Appendix table 28—Director attitudes and perceptions concerning the working relationship with management, by size of association—  
Continued

Statement	Scale of response	Directors, by association size			All assns.
		Small	Medium	Large	
		<i>Percent</i>			
5. There should be an open atmosphere of mutual consultation between management and the board.	Agree Undecided Disagree	99 0 1	99 0 1	99 0 1	99 0 1
6. Most directors of your cooperative tend to get more friendly with the management than is necessary.	Agree Undecided Disagree	10 8 82	8 8 84	10 10 80	9 9 82
b. Support of management					
7. In your cooperative, management and the board have a desire to work together but have fundamental differences on how to achieve a common goal.	Agree Undecided Disagree	34 7 59	29 5 66	30 6 64	31 6 63
8. This board gives management support even on ideas which there is disagreement.	Agree Undecided Disagree	64 15 21	66 12 22	71 9 20	67 12 21



Appendix table 28—Director attitudes and perceptions concerning the working relationship with management, by size of association  
—Continued

Statement	Scale of response	Directors, by association size			All assns.
		Small	Medium	Large	
<i>Percent</i>					
9. This board functions primarily in an advisory capacity to management rather than as initiators of actions directed to management.	Agree	58	56	60	58
	Undecided	6	5	3	5
	Disagree	36	39	37	37
10. Boards should function primarily in an advisory capacity rather than as initiators of actions directed to management.	Agree	37	31	33	34
	Undecided	12	7	6	8
	Disagree	51	62	61	58
11. Board meetings very often involve debate concerning issues viewed differently by the board and management.	Agree	41	47	47	45
	Undecided	7	6	3	5
	Disagree	52	47	50	50

Appendix table 29—Director attitudes and perceptions concerning membership relationships, by size of association

Statement	Scale of response	Directors, by association size			All assns.
		Small	Medium	Large	
		<i>Percent</i>			
1. Most directors of your cooperative are very aware of members needs and requirements.	Agree Undecided Disagree	91 5 4	92 5 3	92 4 4	92 4 4
2. This board does not review member complaint since this is strictly a management matter.	Agree Undecided Disagree	18 7 75	17 5 78	20 6 74	18 6 76
3. Boards should not review member complaints since this is strictly a management matter.	Agree Undecided Disagree	10 6 84	11 5 84	14 5 81	12 5 83
4. All members should be able to submit their complaints directly to the board without going through management.	Agree Undecided Disagree	57 6 37	50 5 45	48 5 47	52 5 43
5. Members would be better served if they were furnished with financial reports, including profit and loss statements and balance sheets of their cooperatives more often than once a year.	Agree Undecided Disagree	30 14 56	28 11 61	39 8 53	33 11 56

Appendix table 30—Director attitudes and perceptions concerning control, by size of association

Statement	Scale of response	Directors, by association size			All assns.
		Small	Medium	Large	
		<i>Percent</i>			
1. This board has considerable knowledge about the cooperative's strengths and weaknesses.	Agree	91	94	92	93
	Undecided	6	4	4	4
	Disagree	3	2	4	3
2. This board does not have effective control of the cooperative.	Agree	8	7	9	8
	Undecided	6	2	4	4
	Disagree	86	91	87	88
3. It would be quite difficult for this board to discharge a manager who has not performed well.	Agree	11	9	12	11
	Undecided	6	5	4	5
	Disagree	83	86	84	84
4. This board bases its appraisal of cooperative affairs largely on data and reports provided by management.	Agree	83	82	83	82
	Undecided	4	4	5	5
	Disagree	13	14	12	13

Appendix table 30—Director attitudes and perceptions concerning control, by size of association—Continued

Statement	Scale of response	Directors, by association size			All assns.
		Small	Medium	Large	
		<i>Percent</i>			
5. Boards should base appraisals of cooperative affairs largely on information provided by management.	Agree Undecided Disagree	56 14 30	56 12 32	61 7 32	58 11 31
6. Most directors of your cooperative do not raise questions concerning issues which they do not understand.	Agree Undecided Disagree	13 5 82	14 3 83	19 5 76	16 4 80
7. Management should be held more responsible for cooperative performance than the board.	Agree Undecided Disagree	46 12 42	43 10 47	47 8 45	46 10 44

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